

**Product life cycle**

The life of a product is the period over which it appeals to customers. The sales performance of any product rises from nothing when the product is introduced to the market, reaches a peak and then declines to nothing again. A good example of products that have had short lifespan in recent years are home computers. New models with new specifications are launched on the market rapidly to be replaced by newer models. There is a similar story for mobile phones.

The life cycle can be further broken down into distinct stages. Sales grow slowly at the introduction stage when a product is new on the market and there is only a limited awareness of its existence. Sales then grow rapidly during the period of growth. It is now that competitors enter the market and promote their own products. This will reduce the rate of growth of sales. This period is known as maturity and it is at this time that the market becomes saturated as there are too many firms competing for customers. Firms will compete in a variety of ways and some will drop out of the market. The product market finally declines and the existing product becomes unprofitable.

**Product improvement**

The life cycle of some products may last for hundreds of years while for others it may be a few months. If a firm wants to prolong the life cycle of its own distinct product it is essential to invest well in the development of the product and the promotion of it. This may mean that a lot of work is put into the product before it's launched. Once the product is on the market it may be necessary to periodically inject new life into it. This can be done in several ways including: product improvement, extending the product range, improved promotion etc.

Cereal manufacturers like Kellogg's will sometimes inject new life into existing products. One way to do this is through promotions and advertising campaigns. Cereals are often advertised on national television and there are a number of promotional activities such as in-store promotions of a particular variety of cereal, free gifts, and competitions. In addition, new varieties of a successful cereal may be introduced to the market.

The product life cycle does not have to end. It can easily be prolonged by a range of marketing and production innovations.